SUBCONTRACT MANAGEMENT PLAN

1.0 Introduction: LB&B Associates Inc. (LB&B), a small minority-owned business, provides a wide range of diversified services through 45 current contracts. With current staffing over 900 employees, LB&B is considered a small business for SIC Code 3728. As a major provider of Contractor Logistics Support (CLS), Contractor Operation and Maintenance of Simulators (COMS), and Training Systems Support Center (TSSC) Operations, LB&B is a multi-million dollar company that provides training and simulation support to the U.S. Air Force, U.S. Navy and U.S. Marine Corp. As our business base has expanded, LB&B's has put into place an experienced procurement and subcontracting organization, supported by demonstrated processes and procedures. LB&B has an established Purchasing Manual and under ISO 9000 we have in place Procurement Work Instructions. Combined purchases of material and services by LB&B for calendar year 2000 exceeded $15 million. On many of our major support programs, LB&B subcontracts a significant portion of the work to specialized subcontractors. We have in place a detailed and proven process to select and manage subcontractors and ensure we only select the best with proven experience and a history of customer satisfaction. LB&B corporate management ensures that subcontractors are treated fairly and are paid in terms with the subcontract agreements. At LB&B, we include our subcontractors as part of our team, know and trust their performance, and ensure they become part of our partnership with the customer. Our corporate philosophy is that our subcontractors must share in our believe in integrity and customer satisfaction, that we must trust our team members, and that if we cannot trust a teaming partner, we will not work with them, or for them. Our approach is to negotiate and administer the subcontract through the corporate Subcontract Administrator in order to relieve those tasks from the program personnel, and have the program personnel directly manage the subcontractor efforts. All payment and other administrative subcontract functions are handled by the corporate office with approvals coming from the Program Manager.

2.0 Applicable Documents: The processes and procedures discussed herein will be applied in executing the TSAT contract. The following documents are identified:

- LB&B Purchasing Manual
- LB&B Subcontract Management Plan (SMP)
- LB&B Quality Manual (ISO 9002)
- LB&B Procurement Work Instructions

3.0 Scope and Purpose: This SMP has been tailored to address and meet the specific requirements of the TSAT Program. The purpose of this document is to define the processes and procedures used by LB&B to select, manage, coordinate with, integrate and control our TSAT subcontractors.

4.0 Requirements: Subcontracts Management is an integral part of our TSAT approach to providing a highly experienced team of simulation companies with complimentary capabilities that encompass all major elements of the TRD. This SMP describes the processes that will be used to execute the Tasks Orders assigned to approved subcontractors under the TSAT contract.

4.1 Subcontracting Process: LB&B is committed to the successful accomplishment of the TSAT task orders and will apply each of these elements to ensure success. Our approach in the subcontracting process is based upon:

- Creating a TSAT Management Integrated Product Team (IPT) that includes subcontract personnel to provide a streamlined, timely response to all TSAT Task Orders
- Assigning a distinct Task Order IPT for each task order assigned to a subcontractor and implemented under this program
- Identifying risk areas, with subcontractors, at the beginning or in the early stages of individual task orders, implementing Risk Mitigation procedures to minimize the risk, and inspecting the work in process to assure mitigation efforts are adequate
- Providing timely corrective actions for problem areas and monitoring those actions to prevent recurrence
- Using Lessons Learned from other programs to maximize the potential for success for each task order

4.1.1 Selection of Subcontractors: This section is divided into three parts. The first part, paragraph 4.1.1.1, describes the process used for the selection of LB&B's initial TSAT subcontractors and vendors. The second part, paragraph 4.1.1.2, describes the standard process for selection of core subcontractors/vendors based upon follow-on TSAT requirements. The third part, paragraph 4.1.1.3, describes our process for selecting additional, non-core subcontractors, to support follow-on task orders.

4.1.1.1 Initial TSAT Subcontractors/ Vendors Selection: During the TSAT procurement process, LB&B's strategic approach to meeting the TSAT requirements consisted of identifying and qualifying no more than four complementary subcontractors that can perform 100% of the FRD requirements. In addition, vendors may be added on a case-by-case basis to satisfy unique proprietary hardware or software requirements, or unique task order requirements. LB&B elected to go with a small core team in

order to develop a team atmosphere rather than a lose mix of vendors with little or no allegiance, and to select team members that specialized rather than those with a range of general capabilities. We elected to select a team that would complement each other rather than conflict or compete with each other. The complementary team approach offers less conflict, stronger capability through specialization, quicker response and a cohesive approach that in the end results in less risk. The initial subcontractor selection process began immediately during the early stages of the TSAT procurement process. LB&B senior management began a carefully orchestrated process to select the core subcontractors. Trade studies were developed to analyze the TSAT FRD requirements, research industry sources, and determine a sound sourcing strategy. The two main criteria used to make the best selection consisted of: (1) Internal: a detailed capability analysis of LB&B personnel, experience, and resources; and (2) External: assessments of supplemental external capability of known industry sources with proactive management, complementary capability, relevant past performance, financial stability, and cost competitiveness. The corporate management team prepared and issued a series of capability surveys, and held face-to-face meetings and discussions with potential candidates. Information on the size of the business, experience of top management, major Customers and contracts, references, quality systems and procedures used, and relevant past performance information were gathered and incorporated into a master selection folder. Financial status was reviewed from sources such as Dun and Bradstreet. Past performance was evaluated using references or LB&B historical data, if available, and information obtained by contacting subcontractor Customers. A major part of this process was the interview of the subcontractor Customers, any problems noted, and the responsiveness of subcontractor management to correct them and implement long-term solutions. Where the subcontract task is complex, or high-dollar value, the management team conducted a subcontractor site survey. From information obtained we categorized subcontractors candidates into two groups:

- **Core Subcontractors:** Top-notch provider of training and simulation products and services to Government or Industry with in-place quality and performance standards, having an exemplary reputation with its Customers.
- **Vendors:** Quality vendor of COTS training and simulation products and/or services that are directly applicable to the TSAT.

Once all proposed subcontractor candidates had been identified and evaluated, the core candidates were rated based upon their core technical capability, past performance and strengths as compared to the supplemental capability needed by LB&B for the TSAT Program. Systems Engineering and Applied

Management, Hardware/Software Development and Integration, Instruction, and Courseware experience were major elements of the technical capabilities evaluation decision. At this point, the team was selected: Thomson Training & Simulation (TT&S); Binghamton Simulator Company (BSC); Carley Corporation; and Lear Siegler Services, Inc. (LSI). The source selection team next addressed commercial vendor products that were needed to meet the Training Management System (TMS) requirement. Three commercial TMS vendors were initially evaluated, demonstrations requested and provided, and selection folders prepared. The DLS System COTS product "STARS" was selected as the best choice for approved vendors to meet the TSAT TMS requirements.

After formal selection of the core subcontractors, the LB&B Contracts Administrator prepared and issued a Request for Proposal (RFP), using the draft TSAT Statement of Objectives (SOO), Technical Requirements Document (TRD), and other program specific documents. A proposal and performance schedule, terms and conditions, and a subcontractor Statement of Work (SOW) were provided. Nondisclosure Agreements, which protect the exchange of sensitive information and expedite the technical interaction that is required at this phase, were issued. These requirements were subsequently updated upon release of the formal TSAT RFP on 29 January 2001.

Since there was close cooperation during the process and the core subcontractor(s) were involved in the requirements during the draft RFP stages, the subcontracted documents were negotiated and signed within 10 workdays of being issued. This created the core LB&B TSAT Team that will support the initial and follow-on task orders. We believe this team offers a strong technical background and will continue to work well together to be responsive and achieve maximum customer satisfaction.

Upon selection of the core candidates, a two-tier Integrated Product Team (IPT) organization was established to respond to the TSAT requirements and manage the TSAT Program after contract award. To provide TSAT Program Management, LB&B established a Tier I Management IPT that is led by the current LB&B Systems Division Manager, Mr. Mike Bradshaw, and includes a representative from each of the core subcontractors. Mr. Bradshaw will assume the role of Program Manager for the TSAT program. The Management IPT is responsible for managing TSAT contract performance including proposal preparation and submission to include responding to the basic program requirements as well as contract success after award. Tier II IPTs were established for the individual Task Orders for the initial program (T-1A). As new Task Orders are released, IPT Leaders will be assigned by the Management IPT. All Tier II (Task Order) IPT Leaders will be LB&B employees.

4.1.1.2 Selection of Vendors for Follow-On Task Orders: The process for selection of vendors for follow-on Task Orders will be somewhat different to that developed for the selection process identified in paragraph 4.1.1.1. Since the core subcontractors will be in-place, the process is greatly streamlined. Resource Managers have been identified by each core subcontractor to serve on the TSAT Management IPT, their responsibilities established, and charters developed to support the team. Upon receipt of a TSAT new Task Order, the Management IPT shall establish a program-specific Task Order IPT, headed by an experienced LB&B Program Manager and supported by LB&B's Subcontract Administrator. The Task Order IPT Leader initiates a kick-off meeting within three work days after new Task Order release. This three-day period is used for a detailed evaluation of the new Task Order requirements. This evaluation period may be extended by the Task Order IPT Leader depending on the complexity of the Task Order. The membership of the Task Order IPT is dependant on the specific requirement and will consist of Task order IPT leader, Subcontracts Administrator, and a Resource Manager from each of the core subcontractors required for the Task Order.

At the kick-off meeting of the Task Order IPT, the IPT Leader solicits inputs from the Resource Managers and Subcontracts Administrator. Each Resource Manager is given the opportunity to provide their input to the New Task Order. Resource Managers will respond to their respective company's area of expertise. New Task Orders that require the specific expertise outside the core LB&B TSAT team require the Task Order IPT to identify and actively pursues additional subcontractors.

4.1.1.3 Selection of Additional Vendors: When the scope of work for a new Task Order includes a specific requirement that is not within the core team capability, the Task Order IPT will begin the process of finding additional resources. This process is very similar to the initial selection process identified in paragraph 4.1.1.1 above; however, the responsibility for recommending selection of a specific vendor now rests with the Task Order IPT. The same basic criteria are required of a new subcontractor or vendor. The new vendor must: (1) have the required technical capability; (2) have strong management in-place with the necessary experience and tools to effectively manage their specialty area; (3) have existing quality processes and procedures that are ISO compliant; (4) have excellent past performance in the relevant specialty area; (5) be responsive; and (6) be financially able to meet the commitment of the new Task Order. Once the Task Order IPT has completed its evaluation, it recommends to the TSAT Management IPT to add this newly approved subcontractor/vendor to the team for this new Task Order.

4.1.2 Coordinating with Subcontractors: Task Order IPT Leaders have the responsibility and authority to coordinate subcontractor efforts. The Resource Managers of the core subcontractors are members of the Task Order IPT, as required. They are required and expected to participate in and support the initial kick-off meetings, regular discussions, technical exchanges and management reviews. The Task Order IPT Leader is responsible for the interaction of the members and encourages direct coordination of their efforts with each other. The Task Order IPT coordinates discussions, facilitates tasks, and is responsible for problem resolution. Each Resource Manager provides inputs at meetings and discussions, assists the Task Order IPT Leader in defining the charter against task order requirements, supports needed tasks, provides strategic inputs to processes and procedures, and assists in developing schedules and metrics. The Task Order IPT Leader coordinates the Task Order effort through the Management IPT as well as with the Customer. If the new Task Order is awarded to LB&B, the Government is encouraged to participate in the Task Order IPT if desired.

4.1.3 Integrating with Subcontractors: The Task Order IPT Leader has the responsibility and authority for integrating the subcontractors. This task is accomplished by creating a standard set of guidelines for the Task Order. During the initial selection of core subcontractors, specific responsibilities were developed for each approved subcontractor based upon their capabilities. Resource Managers were assigned to the Management IPT or appropriate Task Order IPTs to help develop charters, schedules, plans, procedures and performance standards. We integrated the subcontractor's processes and procedures into the master TSAT plan, creating performance metrics as needed and clearly defining the role each subcontractor plays in the TSAT Program.

With each new Task Order, the Task Order IPT will create and update these team plans and processes based upon the task order requirements. Subcontractor plans, processes, and procedures will integrate the subcontractor work efforts into the overall plans. This includes building the Integrated Management Plan (IMP) and integrated Management Schedule (IMS), while identifying risks, establishing thresholds, and metrics. Performance metrics and milestones are used to ensure schedules are met and integrated tasks are accomplished. Core subcontractors are included in all applicable Task Order IPT meetings, technical interchanges, discussions and quality reviews, and risk assessment and management meetings. Risk management is a key issue in Task Order evaluation and analysis. Risks are identified, categorized as affecting cost, schedule or performance, risk impact studies are conducted and probability of risk occurrence evaluated. As part of the Risk Management process, the IPT develops workarounds and implements a risk mitigation plan to minimize the impact of the risk. Subcontractor

capability, staffing, depth and availability of resources, financial stability, and past performance are elements included in the Risk Management process.

4.1.4 Controlling Subcontractors: The Task Order IPT Leader, supported by the LB&B corporate Quality Administrator, has the responsibility and authority for control of subcontractor performance. The subcontractor's performance is continually monitored and compared against negotiated standards and the performance metrics established for the subcontracted effort. Reviews are conducted by the IPT Leader and/or corporate Quality Administrator, as needed, to ensure timely and effective completion of assigned subcontractor tasks. Scheduled reviews shall be conducted with individual Resource Managers, minutes of these reviews documented, and corrective actions taken for any problem areas.

Corrective actions are required for all work not performed in accordance with the established standards, or otherwise unsatisfactory work. If discovered through normal work review of quality surveillance, such non-conforming work will be documented, reported, and steps will be taken to correct the discrepancy either immediately, or as soon as practicable. The approach used is to correct the discrepancy on the spot, if possible, and take action to preclude future non-compliance. When immediate action cannot be taken to correct nonconformity, or a condition causing a deficiency, a corrective action report on the deficiency is prepared by the Resource Manager and submitted to the IPT Leader. The Resource Manager will assign suspense dates for correction and take action to preclude future non-compliance. Corrective actions continue until the discrepant condition is resolved. The Resource Manager will forward corrective action reports to the IPT Leader. Any deviations from established standards must go through a formal review process and the appropriate corrective action taken and documented.

When issuing a requirement to a core subcontractor, LB&B formalizes a subcontract Task Order that defines the scope of work, the level of performance required, performance metrics, the schedule or milestones for the tasking, and any unique requirements. For TSAT Task Orders, requirements are flowed down in the Subcontract Agreement to the subcontractor from the existing TSAT prime contract. The prime POC is established, normally the IPT Leader and/or Subcontracts Administrator, their responsibility and authority defined, and the issuing and start dates for specific tasks. As changes occur, they are negotiated and incorporated into the subcontract documents by the Subcontracts Administrator.

4.2 Lines of Communications: Clear lines of communication and authority are essential elements of successful task order completion. As depicted in ***Figure 4.2-1*** and described in ***Table 4.2-1***, the

TSAT Program Manager is given the responsibility and authority for the overall program. The TSAT Program Manager leads the Management IPT that has been established as a Tier I IPT. Tier II IPTs are established for the initial tasks, and will be established for each future individual Task Order. The Tier II IPT Leader or Task Order Leader is responsible to the Management IPT for responding to the specific task order and the successful completion of that task order after award to LB&B.

4.3 Problem Resolution: Effective IPT communications means no surprises, problems are jointly worked, risks are identified early and fair and equal treatment of subcontractors. The Task Order IPT Leaders have the responsibility and authority to resolve problems with the subcontractors. One of the key elements of working in IPT fashion is the ability to solve problems in the early stages and at the lowest level possible. If the problem cannot be resolved at the Task Order IPT level, it will be elevated to the Management IPT as appropriate for resolution. If the resolution requires a change in the subcontract contractual document, these changes will be negotiated by the LB&B Subcontracts Administrator and the applicable subcontract document changed.

4.4 Make/Buy Decision: Within the core LB&B TSAT team exists the capability to perform and support all of the FRD requirements. Based upon the inputs and consensus of the Resource Managers and functional experts called about by the Task Order IPT, the IPT Leader will recommend a Make/Buy determination to the Management IPT. Included in this recommendations will be a detailed analysis of the requirement, the proposed prime or subcontractor organization (either internal or external to the core team) that has the capability to fulfill the requirement, associated performance, cost and schedule risks, and any other information that will be needed to make the final determination. Once the Buy decision has been made, RFPs or RFQs shall be issued to qualified suppliers. As identified in paragraph 4.1.1.1 above, the process for a Buy decision is very similar to that of selecting a new vendor/subcontractor. Each offeror is evaluated using the same criteria. If the Buy decision is for a commercially available product, quotes will be solicited from three qualified sources. If there is only one or two sources with the capability, a detailed vendor or subcontractor analysis will be accomplished according to our formal selection process to assure the offeror meets the approval criteria.

Figure 4.2-1. TSAT IPT Organization

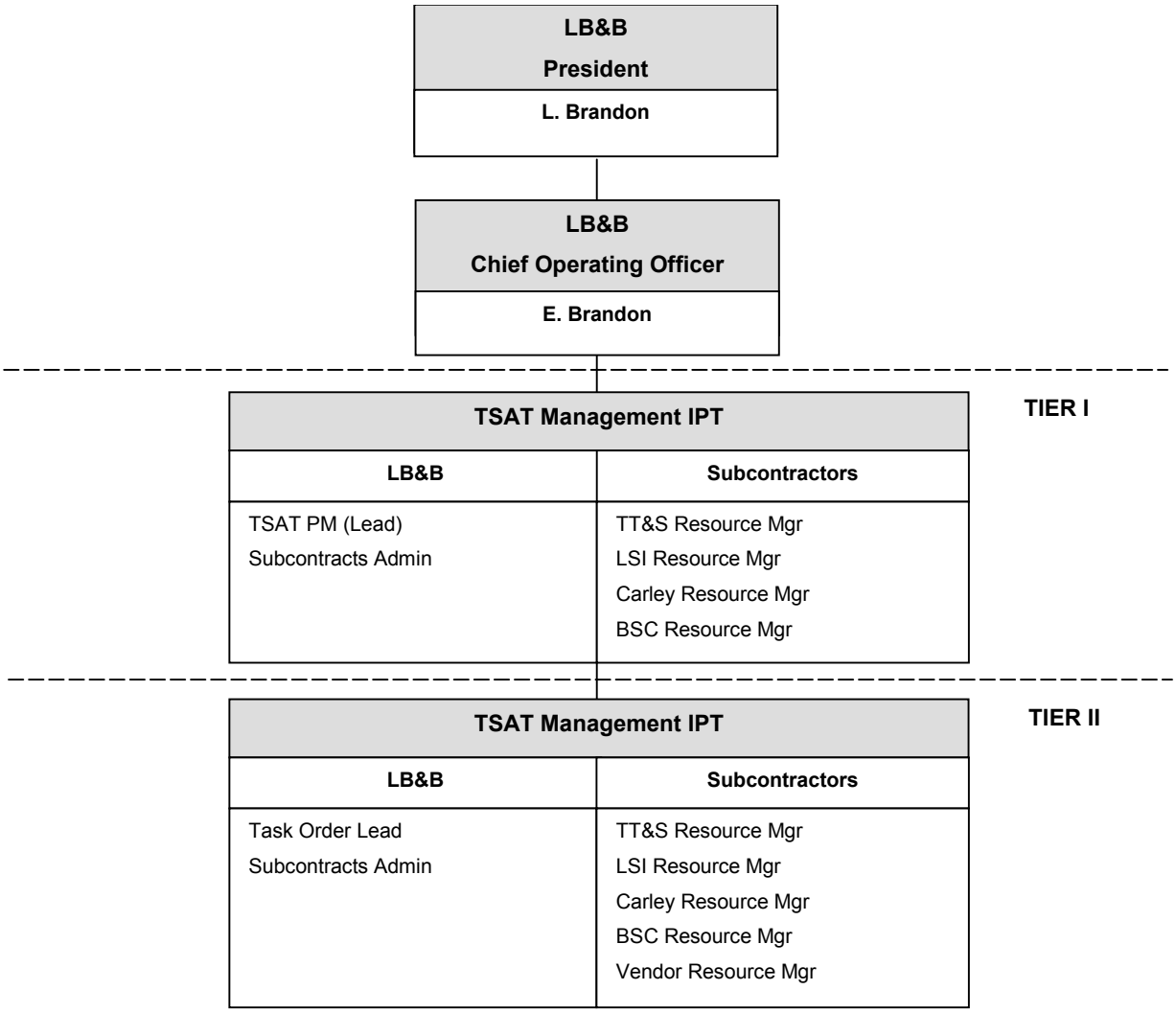


Table 4.2-1. TSAT IPT Organization Description

Company	Title	Duties/ Responsibilities	Authority	Communications
LB&B	TSAT Program Mgr	Management of the TSAT Program; Leads the TSAT Management IPT; Technical oversight and evaluation of the subcontractors	Decision making authority for major TSAT Program issues	Primary interface with LB&B Corporate; Primary TSAT interface with the Customer; Establishes TSAT subcontractor communications
LB&B	Task Order IPT Leader	Management of individual TSAT Task Orders; Leads the Task Order IPT	Decision making authority for major Task Order issues	Interface and reports to the TSAT Program Mgr; Primary Task Order interface the Customer; Establishes Task Order subcontractor communications
LB&B	Subcontract Administrator	Administrative oversight of subcontractors; Issuance of subcontract documents	Negotiates subcontracts; Provides subcontracting support to Mgt and Task Order IPT Leaders	Primary Subcontract POC for LB&B; POC with subcontractor contracting organization

Company	Title	Duties/ Responsibilities	Authority	Communications
BSC	Resource Manager	Provides company resources to support TSAT task orders	Company POC for specific area	Primary interface between BSC and LB&B; Membership in the TSAT Mgt and Task Order IPTs
Carley	Resource Manager	Provides company resources to support TSAT task orders	Company POC for specific area	Primary interface between Carley and LB&B; Membership in the TSAT Mgt and Task Order IPTs
LSI	Resource Manager	Provides company resources to support TSAT task orders	Company POC for specific area	Primary interface between LSI and LB&B; Membership in the TSAT Mgt and Task Order IPTs
TT&S	Resource Manager	Provides company resources to support TSAT task orders	Company POC for specific area	Primary interface between TT&S and LB&B; Membership in the TSAT Mgt and Task Order IPTs

The final authority and responsibility for the Make/Buy decision will rest with the TSAT Program Manager. This ensures rapid decision-making and early identification of subcontractors or vendors. Reducing the decision making process cycle time allows sufficient time to develop the RFPs or RFQs and enables the team to respond to the TSAT Customer needs in a timely and efficient manner.

4.5 Proposed Subcontractors: LB&B has carefully selected and pre-approved a team of core subcontractors and vendor whose capabilities encompass the entire FRD requirements. Four major approved subcontractors are teaming members of the LB&B Team. These include: Binghamton Simulator Company; Carley Corporation; Lear Siegler Services, Inc.; and Thomson Training and Simulation.

1.0 **Agreements:** ***Table 4.5-1*** depicts the signed agreements in effect for accomplishing work on TSAT Task Orders and the respective specialties these subcontractors bring to the LB&B Team.

Table 4.5-1. TSAT Task Order Agreements and Specialties

Subcontractor	Address/Facility	Date of Agreement	Specialty Area	QA Programs
Binghamton Simulator Company	BSC 151 Court Street Binghamton, NY 13901	10 January 2001	• Maintenance Trainer Modifications • Relocations • Maintenance training device development and manufacture	ISO 9002 Compliant QA Plan
Carley Corporation	Carley Corporation 3203 Lawton Road, Ste 251 Orlando, FL 32803-2935	21 December 2000	• Courseware	ISO 9002 Compliant QA Plan

Subcontractor	Address/Facility	Date of Agreement	Specialty Area	QA Programs
Lear Siegler Services	LSI 175 Admiral Cochrance Dr Annapolis, MD 21401	15 January 2001	• Instruction	ISO 9002 Registered
Thomson Training & Simulation	TT &S 5233 S. 122nd East Ave Tulsa, OK 74146-6001	3 January 2001	• System Engineering and Management • Hardware/Software Development and Integration • ATD Manufacturer • ATD Modifications	Tulsa – ISO 9002 Registered Crawley – ISO 9001 Registered

4.6 Quality Practices: LB&B's Quality Practices and Procedures have been developed and designed in accordance with International Standards Organization (ISO) 9001:2000, Quality Management Systems – Requirements. Our Quality Plan is fully compliant with ISO 9002 standards and provides the basic guidelines for our Quality Management Program. For the TSAT Program, we carefully selected and pre-approved our major subcontractors through a methodical process that addressed the quality systems in place. Our analysis of the core LB&B subcontractors indicated that all four core subcontractors had fully compliant ISO programs in place as depicted in Table 4.5-1.

4.6.1 How QA Requirements are Levied on Subcontractors/Vendors: A major factor used in the selection of subcontractors/vendors is the quality system the subcontractor or vendor has in-place. Because of LB&B's stringent adherence to quality practices, we set the same high standards for all subcontractors and vendors. Within the Government and commercial training and simulation business, this is absolutely essential to ensure quality products and services are provided to our Customers. Subcontracts and Purchase Orders will only be placed with suppliers who have quality systems that meet or exceed LB&B requirements. LB&B's corporate QA Administrator is responsible for conducting supplier quality surveys and for the day-to-day review of purchase documents to ensure that quality standards are included. This affords the QA Administrator the opportunity to review and ensure compliance with any contract-unique quality requirements.

Individual Task Orders under TSAT may have different quality requirements. For core subcontracts, a SOW is prepared and Customer requirements not already included in the basic subcontract will be included in the SOW and flowed down to the subcontractor. Purchase orders prepared for vendors will include all of the flow down clauses. An important element of the SOW or Purchase Order is the flow down of the quality requirements or standards.

4.6.2 How QA Requirements are Enforced on Subcontractors/Vendors: QA requirements are enforced on subcontractors and vendors through the periodic monitoring of the subcontractor's performance and through scheduled and unscheduled internal and external audits. Monitoring may be

accomplished by the Task Order IPT Leader, corporate QA Administrator, or a project engineer/technician. Each audit will include a review of documentation, including corrective action reports and resolutions.

4.6.2.1 Services: Verification of subcontracted or purchased services is accomplished by comparing the services performed to the subcontract or vendor documents. Performance metrics are identified within the subcontracted document and periodic audits compare the actual performance to the required standard. Performance metrics also include milestones that identify the schedule for occurrence or completion of key events based upon the requirements. An example of this might be a subcontracted requirement for a major modification. Depending on the size and scope of the modification, the Task Order IPT Leader may assign a Modification Manager to oversee the project. Milestones such as Preliminary Design Reviews and Critical Design Review are anticipated at specific times in the systems engineering process. These major milestones become auditing events when the Task Order IPT Leader or designated evaluator reviews the task and determines if it has been completed IAW the specification or requirement and is on schedule. If either of these elements is not completed as expected, the Task Order IPT Leader will assign an evaluator to determine the cause of the problems encountered, issuing a corrective action report to document the problem(s) and the course of action to assure correction. Since these are major events in the process, monitoring and audits increase and may actually occur as often as daily if not weekly. When the standard or performance metric is not met, the Resource Manager is required to provide a Corrective Action Plan to bring the performance back to the established metric level. Should problems continue with a specific subcontractor or vendor, they are highlighted to the Program Manager; and, if timely corrective actions are not accomplished and long-term solutions implemented, the subcontractor or vendor is removed from the preferred Supplier listing.

All subcontractors and vendors used will be evaluated, at least annually, to assure that they continue to meet the initial criteria and any new requirements. The subcontractor's response to corrective actions will weigh in this process. If a subcontractor or vendor is not demonstrating the necessary corrective action to correct a problem, we will replace them and find a new team member through the process outlined in Section 4.1.1.1.

4.6.2.2 Products: Verification of purchased and/or subcontracted products is accomplished through receiving inspections, source inspection, testing, or reviews and audits. Source inspections and/or in-process inspections are implemented, as a minimum, when one or more of the following conditions exist:

- In-process controls have such an effect on the quality of the article that product quality cannot be determined solely by in-house inspection or test
- Verification tests require unique test and evaluation equipment that is only available at the source
- Performance history of the source indicates the need to inspect the item or service

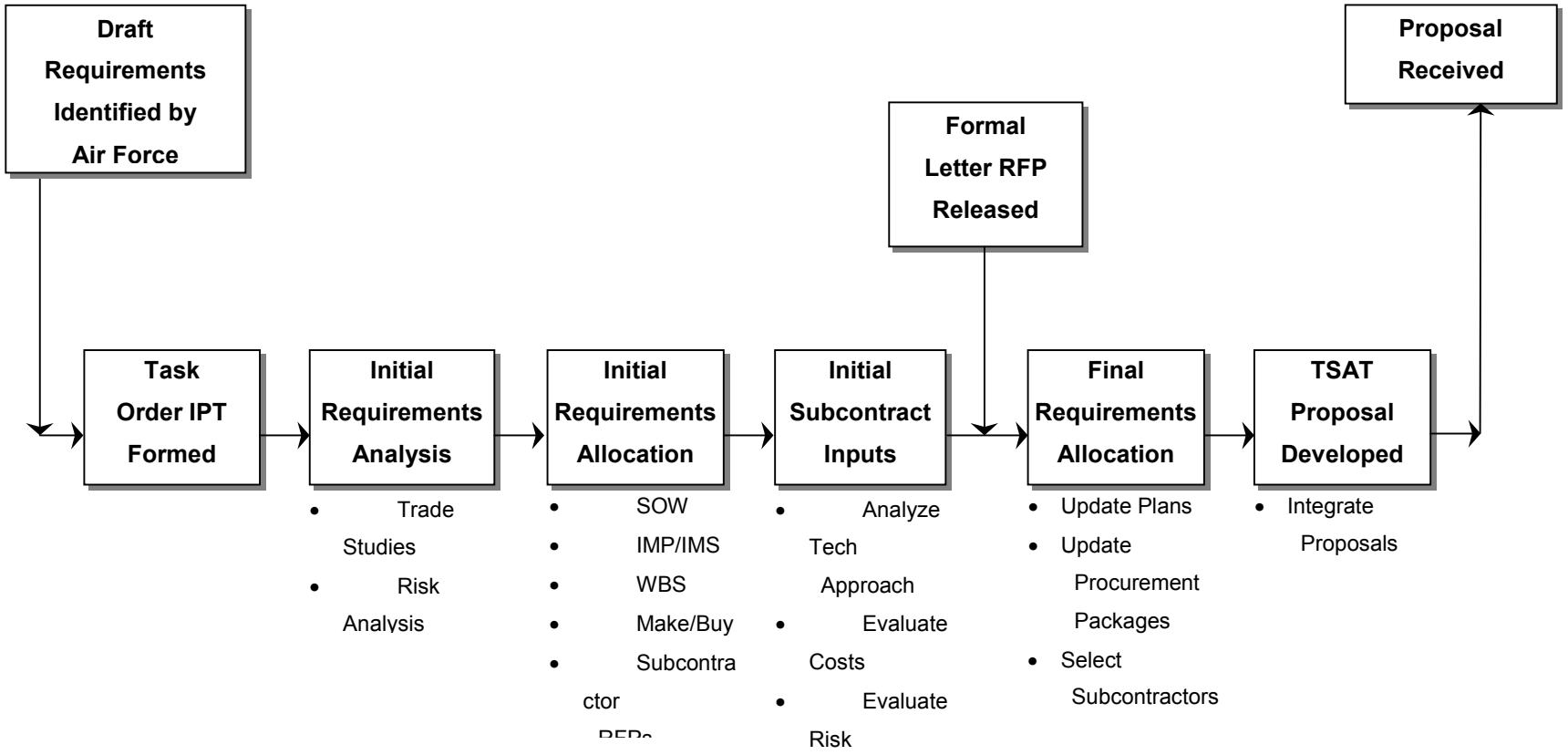
Where source inspection or in-process inspections are performed, the corporate Quality Administer, project Quality Manager, or Project Engineer completes an inspection record and distributes it to the appropriate program elements. A copy is provided to the subcontractor or vendor. Deficient products or processes may warrant the issuance of a Corrective Action Report (CAR). If a CAR is issued on the product or service, the quality evaluator provides a specified time for the corrective action to be completed and a retest or re-inspection is scheduled. A copy of the completed source inspection report accompanies the product at time of shipment to LB&B as evidence of the inspection. Items received are identified by their part number or other identification number of the supplier. Documentation for these items such as certificates of conformance or test data is maintained in the LB&B receiving inspection area. Prior to release from receiving inspection, a completed inspection report is accomplished on all accepted purchased materials or parts.

5.0 Streamlined Selection Process: LB&B uses a streamlined process to identify the requirement for subcontracting and to ensure timely subcontractor input on TSAT task order proposals. The process starts at the identification of the TSAT requirement and completes with the submission of a fully compliant proposal. The TSAT Management IPT is in-place and has the resources available from corporate, and from the core subcontractors, to support any Customer requirement. Core subcontractors have been identified during our initial subcontractor selection process, subcontractor statements of work developed and refined, Subcontractor Resource Managers identified by name and contact information, and the process to respond to TSAT Task Orders developed and implemented. This process is depicted in ***Figure 5.0-1***.

When a Customer requirement is identified, LB&B's Management IPT will identify and assemble a Task Order IPT. This is the first step in the process. The Task Order IPT Leader contacts the appropriate Resource Managers and the IPT reviews the requirements by performing a top-level Initial Requirements Analysis. This starts any required trade studies to evaluate alternatives, estimate costs and determine potential subcontractors.

During the next step in the process, the Task Order IPT conducts an initial allocation of subcontractor requirements, initiates program planning, and drafts the subcontract related program

Figure 5.0-1. Streamlined Selection Process



procurement packages. The products of the initial program planning typically include the draft SOW, System Specification, Systems Requirements Document, WBS and the initial Make/Buy recommendation. Risks are also identified and a detailed risk assessment accomplished. Having the core IPT Resource Managers available and on-call accelerates this process as requirements can normally be distributed within three workdays. We have found that early subcontractor participation accelerates the subcontractor proposal preparation process while establishing a mutual understanding of the requirements and the team strategy to meet those requirements.

When developing our approach, we complete an Initial Requirements Analysis and Initial Requirements Allocation based upon the Customer's documents. The personnel and resources will be designated and in place to prepare a timely response to the requirement. The Task Order IPT Leader holds the kick-off meeting, plans are updated, subcontractor SOW packages are refined and released, proposal resources are committed and the proposal preparation process formally begins. Because of the upfront preparation, the subcontractor proposal inputs are now readily incorporated into the final TSAT proposal, which is submitted to the Government.

While the time of this process flow and the subcontractor participating will vary depending on the type and complexity of the customer requirement, every effort will be made to facilitate and accelerate the response time using our open lines of communications both internally among the team and externally with the Customer. With much of the process already in place such as existing subcontractor agreements, pre-determined performance metrics, a responsive team approach, coupled with early identification and evaluation of the requirements, we can respond quickly to new and/or changing customer requirements.